

Town of Plymouth

80 Main Street
Terryville, CT 06786
<http://www.plymouthct.us>

Board of Finance

Tel: (860) 585-4001
Fax: (860) 585-4015

1. Call Meeting to Order – The Regular Meeting of the Town of Plymouth Board of Finance was called to order on Thursday, July 19, 2012 at 7:05 p.m. by Chairman Ralph Zovich in the Assembly Room, Plymouth Town Hall. Members in attendance: Pat Budnick, Vicky Carey, Mike Drozdick, Peter Cook, Ralph Zovich. Also Dave Bernagel, Director of Finance; Ted Scheidel, Administrative Assistant to the Mayor; Robin Gudczauskas, Recording Secretary. Excused absent: Dan Murray.
2. Pledge of Allegiance
3. Board of Education update – Dr. Anthony Distasio, Superintendent; Mike Santogatta, Business Manager; Rob Parenti, Director of Special Education and Pupil Services – Mr. Santogatta stated they had a good year, have reviewed year end reports with the Director of Finance; Dave Bernagel stated he and Mike have worked together and reporting the Board of Education has returned \$218,315 to the General Fund for fiscal year ended June 30, 2012. Recommending transfer of \$118,315 of this money into the Sinking Fund. Mr. Santogatta stated Special Ed did extremely well, fuel and electric accounts did very well and usage declining in kilowatts and fuel; payroll looks good; overtime under control; only area with issue was repairs at high school; have summer projects going for maintenance and repair; health fund – board authorized to transfer \$150,000 into reserve as well as increase of \$133,000 to their budget from ECS money and directed some of that into medical reserve. Chairman Zovich complimented the Board of Education, board and staff on containment of energy cost and conservation efforts. Discussion held on sinking fund noting the Board of Education's request to transfer money into it. Dr. Distasio stated the Board of Education has already acted. Vicky Carey noted the BOF needs to approve and the Director of Finance and Business Manager need to prepare procedure; Dave Bernagel stated that will be done for the September meeting.
MOTION: To modify the agenda adding line item 3a “To Transfer \$118,315 of Board of Education surplus from fiscal year 2011-2012 into Capital Reserve Sinking Fund by Pat Budnick, second Vicky Carey. Discussion: none. Vote: Mike Drozdick, yes; Pat Budnick, yes; Peter Cook, yes; Vicky Carey, yes and the vote unanimous
- 3a. To Transfer \$118,315 of Board of Education surplus from fiscal year 2011-2012 into Capital Reserve Sinking Fund
MOTION: To transfer \$118,315 into the Capital Reserve Sinking Fund as of June 30, 2012 as approved by the Board of Education, by Peter Cook; second Vicky Carey. Discussion: Peter Cook, great idea noting a discussion on procedure will be ready for September. Dr. Distasio stated the Board of Education has no plans for that money and it is there in case it is needed. Vote: Vicky Carey, yes; Peter Cook, yes; Pat Budnick, yes; Mike Drozdick, yes and the vote unanimous.
4. Approve Minutes:
 - a. June 21, 2012
MOTION: To approve the minutes of June 21, 2012 as presented by Peter Cook; second Mike Drozdick. Discussion: none. Vote: unanimous.
5. Mayor's Report – No report

6. Discuss & take action on closing of all Town Funds for FY2011-12:
 - a. Trial balance of accounts, encumbrances as necessary, preliminary estimate of deficit or surplus and preparations for independent audit by Blum Shapiro. – Dave Bertnagel distributed and reviewed report as of June 30, 2012 stating all revenues and expenditures posted and waiting transfer station bill for June; projecting surplus of \$24,000 – 25,000 into General Fund for fy June 30, 2012. Also have state grant and not received yet confirmation on sales tax revenue and if that comes in would be \$130,000 – \$140,000 ; we will not receive check until mid to late August if we get revenue and would have to be booked back to June 30, 2012; discussion held. Budget approved last year by taxpayers showing revenues reviewed. All encumbrances are closed on June 30th. Budgeted 250,000 of fund balance not used. Discussion held noting Board of Education helped us on revenue side; majority of savings on town side were mother nature from mild winter with huge savings in snow removal which cannot be counted on; heart and hypertension was very high. Auditors at BOE next week or week after and then here for test and full audit in September with completed in order to review draft at October meeting. Dave Bertnagel distributed and reviewed interest earning sheet showing cash flow balance of all town funds.
7. Update on Capital Projects, status of current/pending capital improvements, i.e. School Building, Water Wheel, Burr Rd. Water, Infrastructure & Road Repair, etc. – Dave Bertnagel stated crack sealing is being done now; Ted Scheidel gave update on bids for engineers; bridge is two components and total project 1.6 million and as result have state grant components required to do certain engineering specifications in order to receive money which will reduce borrowing costs; Seymour design is being finalized; Burr Road water is with CT Water and received notification of grant of \$250,000 from State of CT toward project but goes through DEEP who also takes a percentage of it; waterwheel project, STEAP money just appropriated, update on status of resolution noting received \$37,000 back on that grant and current status. Project overseen by Khara Dodds on behalf of town with Historic Properties Commission. Discussion on offer proposed to town to go into negotiations for possible purchase of B&J tool property and was declined by Council. There will be no financial authorization to negotiate with Kirkwood or BJ properties. STEAP is for construction on existing property around waterwheel. Ted Scheidel noted the State has a project going on near waterwheel and Lavenski Brothers at bridge. School building project is closed with surplus returned and subject to audit process. Ted Scheidel is working on highway garage, new construction when current building is removed, overview given noting front building will be half the size and back from road, totally conforming and rear portion will have 3 bays and storage. Discussion held. Vicky Carey will get plan/update for review at next meeting.
8. Discuss & take action on implementation of General Fund budget for FY2012-13:
 - a. Review plans for cost savings and asset sales for new fiscal year – Chairman Zovich questioned status of Crown Vics; Dave Bertnagel stated they are waiting to hear on grant and sending quotes for bid for cars. Cost savings update noting as of September 1st the Board of Education will take over information technology for the town and have met and will see cost savings; looking into medical director which we do not need for the town per statute and will see savings.
 - b. Changes in revenue projections; state grants, sales tax or financing activities. Discussion held on status of State grants on sales tax on this budget. Patti DeHuff, 20 Lynn Avenue, mentioned Cathy Mathiason was being kept on to do website and why is the public no longer able to access 2010 Board of Finance minutes; Dave Bertnagel stated can be a space issue and will check into it.

9. Executive Session regarding pending foreclosure litigation and union contract negotiations.

MOTION: To go into Executive Session inviting Dave Bertnagel and Ted Scheidel at 8:11 p.m. by Vicky Carey; second Mike Drozdick and the vote unanimous.

Chairman Zovich called the Meeting back to order at 9:05 p.m.

10. Discuss & take action on any items from Executive Session. (if req'd)

Chairman Zovich noted members were given a copy of the Tax Collectors delinquent list; Ted Scheidel stated since July 1st we have collected just short of \$154,000 in delinquent taxes and interest which last July had a good year and this succeeds that year and we have 12 days left. All properties sold on last tax sale, took 14 off list and back on active roll. Should have one more sale of 8 properties and 2 auctions coming up and will have quit claim on third property. Values given of \$154,000 are applied to the last fiscal year. Chairman Zovich stated Dave Bertnagel will advise the Board at September meeting if we need to add more money to revolving legal fund for foreclosures.

11. Discuss & take action to increase the Police Dept. salary line item by \$48,500 appropriated from the unassigned General Fund balance to fully fund the canine officer position as approved by the Town Council on June 5, 2012. Chairman Zovich stated this came to the BOF as a result of negotiations between the Town and the Police Union to create position; have had money allocated from donations from civic and social groups for the canine; Council approved contract and position but BOF did not put money into this budget and we are being asked to fund 11 months of salary beginning August 1st.

MOTION: To make a special appropriation to the Police Department Salary item increase of \$48,500 by Vicky Carey; second Mike Drozdick. Discussion: (a) is this is outside hire or internal; Dave Bertnagel, this is advertised through police contract to anyone inside who may want position and there are three people interviewed. To start a new employee, preferably certified starting at grade c patrolman salary 52,837 and they are not entitled to clothing benefit or cleaning this fiscal year. (b) medical component; we have two vacancies in Public Works and at this time it is not necessary to increase benefit line item. (c) Cost of a full position; dog paid for by donation; benefits for next year's budget 2013-2014 with salary would be approximately 70,000; next year depending on which medical plan the person will take we have adequate funds in there. \$48,500 is salary only for 11 months and not include operating cost of dog which is separate account and paid for; employee benefits will be absorbed in allowance built in for changes. The Board will revisit in the spring as this Board cut the Police Department overtime budget depending on sickness, injury etc. Dave Bertnagel stated from Council approval this has been negotiated from prior administrations and determined it is its' own position with criteria in job description; we are getting the dog from the State Police for free and is fully trained; canine handler goes to training class for 13 week period which does not cost anything and put on by State Police. Chairman Zovich noted only other option is to not approve Council request and put salary line item in deficit. Discussion held on transferring funds out of Public Works; take funds out of undesignated fund balance and leave budgets as is. Dave Bertnagel stated Council recommendation is an additional appropriation to the budget for \$48,500 from fund balance. Pat Budnick stated concern adding another \$48,500 to our expenses and can we comply with creation of position and choose to take money from another part of budget. Dave Bertnagel stated to concur with Council recommendation and when we are back in September he will have idea of revenue sources from the State and can make recommendation. Further

discussion held on two vacant positions and if we are zeroing out that should be done in first quarter. This is debited against fund balance and can be changed. Board can withdraw motion or vote and defeat and submit another motion. The position is created and we are dealing with the funding portion. Dave Bertnagel noted the Council already made a motion to increase the budget and they would have to rescind their motion and Dave can recommend they rescind motion of funding source and recommend transfer from Wage Adjustment to Police Department. Mike Drozdick withdrew his second; Vicky Carey not willing to modify but will withdraw with regret.

Discussion held on taking \$48,500 from Contract Wage Adjustment rather than increase the total bottom line of the budget; and will wait until September to fund line item; Board is discussing changing the intent of what Council requested and if they want the Police Department and entire town budget to go up \$48,500 that is different than funding this position and if they don't care we will keep bottom line of the budget the same. Melanie Church (a) stated when the tax collectors office turned around and Mayor and Council voted to add a position back when Jan was mayor and they came forward and said we want this position and add it, the BOF said no and it could not be done. You cannot change a budget and it doesn't just because they negotiated. Vicky stated on that position the Board voted no because the BOF took the position out. Chairman Zovich stated on behalf of the Board over the years we have had general consensus and support his position. (b) If it goes one penny over that \$48,500 including overtime you are in violation of charter. Chairman Zovich stated it is a partial year's salary and not full year's salary noting overtime is a separate line item in the police department budget and that is managed by the Chief. If we vote no, not to fund from any source, the position exists and is just not funded and will exist within language of contract. Dave stated the police contract was settled in march but although that was settled the memorandum of agreement/understanding was not approved. Mike Kennedy, 11 Overlook Terrace Road, (a) confused on issue and going back to Town Council April 5, 2011 minutes states the position had been negotiated between administration and union; why in April if talked about why wasn't it put on 11/12 fiscal year budget or 12/13 budget but talked about in 2011 and Ralph had stated actual cost with benefits between \$75,000 and \$80,000. What would actual cost for this position be. Chairman Zovich stated salary, health insurance, workers comp, social security and feeding, care and upkeep of dog. (b) that exceeds \$50,000 cap under special appropriation. Chairman Zovich stated we absorb health care under employee benefits, reviewing last year's final. Vicky Carey, there was an agreement between organizations to take care of the animal with feeding, vet and do not know specifics of that agreement. Dave Bertnagel stated churches have committed to the Chief on the canine; review of procedure given. Patti DeHuff, 20 Lynn Avenue (a) insurance in separate department under mayor and the department is called administrative. Dave Bertnagel, function of government is administration, department is employee benefits, Dept 020. (b) don't you need a motion to add \$26,500 or \$31,500 to dept 020; Pat Budnick, no because we have vacancies. There is a department called 020 employee benefits, reviewed. Peter Cook, we do not want to change the budget by a penny so we are not exceeding anything and this would count as one time departmental request and we will fund it without appropriation from fund balance, and we can fund from BOF contingency. Need to clarify whether the Council wants the bottom line of the budget increased. Chairman Zovich stated he will go to the next Town Council meeting and inform them of the BOF action tonight; motion will need to be amended.

MOTION: To fund the \$48,500 in police line item from Board of Finance Contingency by Peter Cook; second Pat Budnick. Discussion: Chairman Zovich stated 01- 013-099

Contingency for time being. Vote: Vicky Carey, no; Peter Cook, yes; Pat Budnick, yes; Mike Drozdick, yes. Chairman Zovich stated motion carries to fund position from the Board of Finance Contingency 3-1 and we will revisit in September to determine how to replenish contingency and he will notify the Council in person that we are not increasing bottom line budget.

12. Discuss & take action to endorse the bonding resolution in the amount of \$2,330,500 for capital expenditures by the WPCA for di-nitrification equipment upgrades as adopted by the Town Council on July 12, 2012. Chairman Zovich read into record the Resolution: "RESOLVED: That the resolution entitled "Resolution Appropriating \$2,330,500 For Denitrification Upgrades To The Water Pollution Control Facility And Authorizing The Issuance Of \$2,330,500 Bonds Of The Town To Meet Said Appropriation And Pending The Issuance Thereof The Making Of Temporary Borrowings For Such Purpose", a copy of which is attached hereto, be recommended for its approval by the electors and qualified taxpayers at a referendum vote held pursuant to Section 9b of Chapter VII of the Town Charter." Motion by Pat Budnick; second Mike Drozdick. Discussion: Chairman Zovich noted two page document going back to 1998 and changes in environmental regulations to update waste treatment plant and bonds will be issued; this is to comply with EPA regulations. Dave Bernagel gave background noting referendum a few years ago from bond counsel issuing sewer bonds and paying down debt service did not have to go to referendum; however with Clean Water Grant application, WPCA is funding debt service and not affect general fund taxation; this is on WPCA books and part of their user fee; EPA and federal/state government regulated. They will get money from the State and pay back loan. If they do not do now we lose grant piece (30% reimbursement from the Clean Water Act). This is a upgrade they have to do and have until next June to get contracts in place. Vote tonight is as advisory board and Council set a public hearing for Monday night. Peter Cook stated this Board needs to get information ahead of time and our vote provides recommendation. Dave Bernagel noted this Board can vote yes, no, or table and if table we do not have opportunity for recommendation. The WPCA has no debt; funding is in budget to pay principal and interest; this Board is advising whether or not WPCA should enter into this agreement. Vote: Vicky Carey, yes; Peter Cook, abstain; Pat Budnick, yes; Mike Drozdick, abstain. Chairman Zovich noted for the record 2 abstentions and 2 yes.

Chairman Zovich requested in the future for bonding referendum there has to be detailed project listing of costs, timing, purpose for review by this Board.

13. Finance Director's Report – Storm costs distributed and reviewed; approved at town meeting and have received \$36,000 on town side and rest submitted to FEMA and could be 1 – 1/2 years before refunds received. Out of \$313,000 for Alfred we have received zero but do have reimbursement request in to them at 75%. Out of \$220,000 from Tropical Storms, we received \$85,000 for WPCA and \$35,000 for town side. Quarterly report from Waterbury Hospital for Trust distributed and reviewed on Terry Fund noting as of March 2012 had \$613,868 in the endowment fund balance and paid out \$50,686 from fund for Terryville/Plymouth residents. Also, sold notes and bonds for new bond issue and got 1.85737 interest rate and recommending we have more in general fund, fund balance, reviewed. Did issue 9.5 million of bonds long term and 3.6 million outstanding will issue next year and have 1.2 million for bridge which will be lowered by grant; Seymour road will not start full construction until next year.

14. Public Input

- a. Melanie Church (a) alarm system with town garage did you get 3 bids. Dave Bertnagel stated it is going out to bid and will be in paper. (b) you are suppose to open in front of public. (c) we are paying overtime for public works highway and been observed by number of people on Scott Road they are milling and they are working til 4 or 4:30, the truck drivers, and using another company to do milling and confused by that and again not a 6,000 or 10,000 job and did not see anything about bids. Chairman Zovich stated if implying misappropriation of funds that is different and have you talked to Tony or Jim. (d) there are no bids. Chairman Zovich stated that is within the budget. (e) have not seen anything in any papers; legal notices have to go in paper and have not been in. There is work being done on Scott Road; on top if it, they are working on it, a company working on it and our trucks are hauling and on top paying overtime and where is cost savings and where it is costing us extra. We need to watch overtime. Chairman Zovich stated there were 4 projects listed within Town Aid to Roads and Scott Road was one, be watched and cannot be over. If you have question on bidding process and feel circumvented Charter requirement you need to see Mr. Lorenzetti. (f) another thing put in request both written one for Board of Ed and one for to Plymouth for check register with invoice number and warrant with p.o. and which line item being charged to; submitted to Mayor and Finance Director and submitted to Mr. Santogatta and Dr. Distasio. I am picking up theirs tomorrow. I get a response from town side to pay 700-1000 to do work and should be part of records to go in and put in request. You need to have our records in timely manner. Dave Bertnagel stated her response back from the Mayor wanted clarification; originally interpretation was you wanted every single check and we can print at \$0.50 per page; you want a check register and your letter was unclear and Mayor requested exactly what you wanted and we have not received a response back from you. Now report you are requesting and will look at system and now clarified. (g) this does not include copies. Chairman Zovich suggested Mrs. Church amend her letter and send a copy to Dave and the Mayor stating she would like the check register of all accounts. Tricia Hale, Mayor's secretary, stated they asked for a response which we never got and he did not know exactly what to prepare and sent a certified letter and she did sign but did not respond as asked in letter but just went to Council very upset.
- b. Tricia Hale, as taxpayer, 47 Tumblebrook Road, Terryville, pleased with the money Board of Ed is turning back and that is 2 years in a row and shows great cooperation between this board and the Board of Ed and in years past did not have that and love seeing town unified. Positive and forward. Agree with Peter Cook, a lot better if we have seen numbers and do not think they realized they would require the Mayor's signature and should have sent numbers. WPCA will have a presenter and elaborate and can see everything Monday. Great being in a tiny town with 8 aisle grocery store and great we have a rating like the City of Bristol and congratulate the Board of Finance for watching our dollars as well as the Mayor and Director of Finance. She has lived here 30 years and not once with full time comptroller have we gotten an award like that.

15. Correspondence - none

16. Board Member Comments

- a. Peter Cook, also say Dave is awesome.
- b. Ralph Zovich, do not think people realize that getting comprehensive annual report in order and raising our bond rating has saved us that much money and \$600,000 in interest savings is huge. We use to have a full time Comptroller and paid him \$90,000 and have part time and have more accomplished in past 4.5 years than we had without drama and without unauthorized transfer and illegal purchase of property.

17. Adjournment

MOTION: To adjourn by Vicky Carey; second Peter Cook and the vote unanimous.
Meeting adjourned at 10:30 p.m.

Respectfully submitted,

Robin Gudeczauskas
Recording Secretary